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8 August 2018

Coloplast

Ostomy Care
Continence Care
Wound & Skin Care
Urology Care

9M 2017/18

Interim financial report, 9M 2017/18

(1 October 2017 - 30 June 2018)

Coloplast A/S
Holtedam 1
DK-3050 Humlebæk,
Denmark

Company reg. (CVR)
no. 69749917

Highlights

- Coloplast delivered 8% organic revenue growth in third quarter of the 2017/18 financial year. Reported revenue in DKK was up by 8%, to DKK 4,225m. For the 9M 2017/18 reporting period, organic revenue growth was 8%, while reported revenue in DKK was up by 6% to DKK 12,215m.
- Organic growth rates by business area: Ostomy Care 9%, Continence Care 9%, Urology Care 10% and Wound & Skin Care 3%.
- Chronic care continued to perform well in the third quarter, driven in part by new products such as SenSura® Mio Convex and SpeediCath® Flex and a positive performance in the USA with double-digit growth.
- The Wound Care business experienced an increased momentum in the third quarter, delivering 12% organic growth driven by Europe and China.
- The Urology Care business continued its positive performance at 11% organic growth in the third quarter driven by the sales and marketing investments made in the USA.
- SenSura® Mio Concave is now eligible for reimbursement and available in nine countries. The launch remains positive, and Coloplast's new product segment has been well received in the market.
- Q3 restructuring costs amounted to DKK 21m compared with DKK 3m last year, the higher costs being partially due to the final implementation of the plans to reduce the number of production staff in Denmark from 700 to 400 by the end of 2017/18. The closure of the factory at Thisted, Denmark, has been accelerated, which added restructuring costs of about DKK 10m in the third quarter.
- EBIT for the 9M period amounted to DKK 3,676m, a 1% decline in DKK, for an EBIT margin of 30%, compared to 32% in the same period of last year. However, at constant exchange rates and adjusted for the one-off revenue adjustment relating to Veterans Affairs in the year-earlier period, EBIT was up by 3%, equal to an EBIT margin of 31% against 32% last year.
- ROIC after tax was 42% in the 9M 2017/18 period against 45% in the same period of last year.

Financial guidance for 2017/18

- We now expect organic revenue growth of ~8%, up from previously 7-8%, at constant exchange rates. The change is mainly due to expectations of a moderate effect from the patent expiry of SpeediCath® standard catheters rather than a negative effect of DKK 50m as previously estimated. The guidance also continues to include the effects of a comprehensive healthcare reform in Greece of up to DKK 100m, which is expected to impact all business areas. Reported growth in DKK is forecast unchanged at ~6%.
- We continue to expect an EBIT margin of 31-32% at constant exchange rates and a reported EBIT margin of ~31% in DKK.
- Capital expenditure is still expected to be around DKK 700m.
- We continue to expect an effective tax rate of about 23%.

Conference call
Coloplast will host a conference call on 8 August 2018 at 15.00 CET. The call is expected to last about one hour. To attend the conference call, call +45 3515 8049, +44 (0)33 0336 9125 or +1 646 828 8193. Conference call reference number is 1945713. A webcast will be posted on www.coloplast.com shortly after the conclusion of the conference call.

Financial highlights and key ratios

1 October - 30 June

(Unaudited)

Consolidated	DKK million 2017/18 9 mths	DKK million 2016/17 9 mths	Change	DKK million 2017/18 Q3	DKK million 2016/17 Q3	Change
Income statement						
Revenue	12,215	11,548	6%	4,225	3,912	8%
Research and development costs	-481	-436	10%	-160	-146	10%
Operating profit before interest, tax, depreciation and amortisation (EBITDA)	4,145	4,156	0%	1,422	1,387	3%
Operating profit (EBIT)	3,676	3,705	-1%	1,269	1,233	3%
Net financial income and expenses	-31	-85	-64%	-36	-50	-28%
Profit before tax	3,645	3,620	1%	1,233	1,183	4%
Net profit for the year	2,806	2,787	1%	948	910	4%
Revenue growth						
Period growth in revenue, %	6	6		8	6	
Growth break down:						
Organic growth, %	8	7		8	8	
Currency effect, %	-4	-1		-3	-2	
Acquired operations, %	1	1		1	2	
Other matters, %	1	-1		2	-2	
Balance sheet						
Total assets	12,667	12,247	3%	12,667	12,247	3%
Capital invested	8,809	8,174	8%	8,809	8,174	8%
Net interest-bearing debt, deposit	2,311	1,920	20%	2,311	1,920	20%
Equity end of period	5,202	4,958	5%	5,202	4,958	5%
Cash flow and investments						
Cash flow from operating activities	2,787	1,668	67%	1,369	1,110	23%
Cash flow from investing activities	-799	-1,346	-41%	-192	-140	37%
Investments in property, plant and equipment, gross	-491	-402	22%	-182	-152	20%
Free cash flow	1,988	322	N/A	1,177	970	21%
Cash flow from financing activities	-2,241	-723	N/A	-1,459	-966	51%
Key ratios						
Operating margin, EBIT, %	30	32		30	32	
Operating margin, EBITDA, %	34	36		34	35	
Return on average invested capital before tax (ROIC), % 1)	54	59		54	53	
Return on average invested capital after tax (ROIC), % 1)	42	45		42	41	
Return on equity, %	71	78		72	73	
Equity ratio, %	41	40		41	40	
Net asset value per outstanding share, DKK	25	23	9%	25	23	9%
Share data						
Share price, DKK	638	544	17%	638	544	17%
Share price/net asset value per share	26.0	23.3	12%	26.0	23.3	12%
Average number of outstanding shares, millions	212.2	212.1	0%	212.1	212.3	0%
PE, price/earnings ratio	36.3	31.1	17%	35.7	31.6	13%
Earnings per share (EPS), diluted	13.21	13.13	1%	4.47	4.29	4%
Free cash flow per share	9.4	1.5	N/A	5.6	4.6	22%

1) This item is before Special items. After Special items, ROIC before tax is 58% (2016/17: 72%), and ROIC after tax is 45% (2016/17: 55%).

Management's report

Sales performance

Organic growth in the 9M reporting period was 8%. Reported revenue, in DKK, was up by 6% to DKK 12,215m. Exchange rate developments reduced revenue by 4% as especially USD and ARS depreciated against DKK. Revenue from acquisitions contributed 1%, resulting from the acquisitions of US distributor Comfort Medical in the first quarter of 2016/17 and of French distributor Lilial and German distributor IncoCare in the second quarter of 2017/18.

The reported revenue growth was based on low comparative numbers due to the DKK 90m one-off revenue adjustment made for sales to the U.S. Department of Veterans Affairs (Veterans Affairs) recognised in Q3 2016/17. The one-off revenue adjustment arose due to incorrect management of contractual obligations relating to a 2009 contract with Veterans Affairs. The amount related to continence care products and was deducted directly from Q3 2016/17 revenue. The matter has not affected organic growth for the reporting period.

Organic growth in the third quarter was 8%. Reported revenue, in DKK, was also up by 8% to DKK 4,225m. Exchange rate developments reduced revenue by 3%, as particularly USD, ARS and BRL depreciated against DKK. Revenue from acquisitions contributed 1% due to acquisitions in the distribution channel. Reported revenue growth for the third quarter was based on low comparative numbers due to the above-mentioned one-off amount paid to Veterans Affairs. The matter has not affected organic growth for the reporting period.

Sales performance by business area

	DKK million		Growth composition (9 mths)					DKK million	Growth composition (Q3)				
	2017/18 9 mths	2016/17 9 mths	Organic growth	Acquired operations	Exchange rates	Other matters	Reported growth	2017/18 Q3	Organic growth	Acquired operations	Exchange rates	Other matters	Reported growth
Ostomy Care	4,943	4,694	9%	1%	-5%	-	5%	1,694	7%	1%	-5%	-	3%
Continence Care	4,406	4,119	9%	2%	-4%	-	7%	1,530	8%	3%	-4%	-	7%
Urology Care	1,308	1,251	10%	-	-5%	-	5%	449	11%	-	-5%	-	6%
Wound & Skin Care	1,558	1,574	3%	0%	-4%	-	-1%	552	11%	0%	-3%	-	8%
Other matters	-	(90)	-	-	-	1%	1%	-	-	-	-	2%	2%
Net revenue	**12,215**	**11,548**	**8%**	**1%**	**-4%**	**1%**	**6%**	**4,225**	**8%**	**1%**	**-3%**	**2%**	**8%**

Sales performance by region

	DKK million		Growth composition (9 mths)					DKK million	Growth composition (Q3)				
	2017/18 9 mths	2016/17 9 mths	Organic growth	Acquired operations	Exchange rates	Other matters	Reported growth	2017/18 Q3	Organic growth	Acquired operations	Exchange rates	Other matters	Reported growth
European markets	7,411	7,049	5%	1%	-1%	-	5%	2,572	6%	2%	-1%	-	7%
Other developed markets	2,772	2,694	12%	1%	-10%	-	3%	970	10%	-	-8%	-	2%
Emerging markets	2,032	1,895	14%	-	-7%	-	7%	683	11%	-	-7%	-	4%
Other matters	-	(90)	-	-	-	1%	1%	-	-	-	-	2%	2%
Net revenue	**12,215**	**11,548**	**8%**	**1%**	**-4%**	**1%**	**6%**	**4,225**	**8%**	**1%**	**-3%**	**2%**	**8%**

Ostomy Care

Ostomy Care generated 9% organic sales growth in the 9M period, while reported revenue in DKK was up by 5% to DKK 4,943m. Revenue from acquisitions contributed 1% due to acquisitions in the distribution channel.
The SenSura® Mio portfolio and the Brava® range of accessories continued to be the main drivers of sales growth. The European and US markets were the main drivers of the Sensura® Mio portfolio. At product level, the Sensura® Mio Convex was the main contributor to growth. The Sensura® Mio Concave is now available in nine countries, and feedback remains positive.
The Sensura® and Assura/Alterna® portfolios also produced satisfactory sales in the markets where they are being actively promoted, including in particular China, Argentina and Brazil. The sales performance of the Brava® range of accessories was driven especially by sales in the USA and China. The Brava® Elastic Tape and the new Brava® Protective Seal were the main contributors to growth among accessory products.

From a country perspective, China, the USA and the UK all contributed favourably to growth. The sales performance in the US market was supported by low comparative numbers caused by inventory reductions by major distributors in that market in the first quarter of last year.
Reduced prices and inventory reductions among distributors in Greece due to a pricing reform implemented in October 2017 detracted from the 9M sales performance.

Organic growth for the Q3 period was 7%, while revenue in DKK increased by 3% to DKK 1,694m. Revenue from acquisitions contributed 1% due to acquisitions in the distribution channel. As in the first six

months of the financial year, the SenSura® Mio portfolio and the Brava® range of accessories were also the main contributors to growth in the third quarter. The UK, German and US markets were the main drivers of sales growth in the SenSura® Mio portfolio. The Sensura® and Assura/Alterna® portfolios also both produced satisfactory Q3 sales. The Q3 sales growth in the Brava® range of accessories was attributable to positive performances in the USA and China.
From a country perspective, China, the UK and the USA were the main contributors to growth. In Q3 Coloplast won a number of tenders in Emerging Markets. Coloplast has yet to deliver products to these tenders but delivery is expected in the fourth quarter. Lower prices in the distribution channel in Greece resulting from the above-mentioned pricing reform implemented in October 2017 detracted from the sales performance.

Continence Care

Continence Care generated 9% organic sales growth in the 9M period, with reported revenue in DKK up by 7% to DKK 4,406m. Revenue from acquisitions contributed 2% due to acquisitions in the distribution channel. SpeediCath® intermittent catheters and Peristeen® continued to drive growth in the Continence Care business. Sales of SpeediCath® compact catheters contributed to growth, driven especially by good momentum in the French, US and UK markets. The sales increase for SpeediCath® standard catheters was driven by the sales performance in the USA and Argentina in particular. The patent expiry of SpeediCath® standard catheters early in the reporting period continues to have a limited negative effect. SpeediCath® Flex also contributed to driving Continence Care sales growth, especially in the US, UK and German markets. SpeediCath® Flex is available in 16 countries, and feedback on the product remains positive. In addition, the SpeediCath® Flex Coudé Pro is now available in the US market.
The Peristeen® portfolio continued to show good results, with the performance driven mainly by the US, UK, Italian and French markets. Higher sales in France and across the Emerging Markets region produced a positive sales performance for urine bags and urisheaths.

From a country perspective, the US market, in particular, but also the UK and French markets were positive contributors to sales growth. Sales growth in the US market was partly due to low comparative numbers as a result of inventory reductions by major distributors in that market last year. Sales growth in the US market in the 9M period remained driven by the upgrade to hydrophilic catheters. The Emerging Markets region also contributed to 9M revenue growth, with Argentina and Saudi Arabia as the main drivers.
Lower prices in the distribution channel in Greece resulting from a pricing reform implemented in October 2017 detracted from the 9M growth performance.

Organic growth for the Q3 period was 8%, and revenue in DKK grew by 7% to DKK 1,530m. Revenue from acquisitions contributed 3% due to acquisitions in the distribution channel. As in the first six months of the financial year, organic growth was driven by SpeediCath® intermittent catheters and Peristeen®. Sales of compact catheters in the US, French and UK markets contributed to performance. In addition, SpeediCath® Flex was a positive contributor to Q3 growth, driven by Europe and the USA. Growth in sales of SpeediCath® standard catheters was driven mainly by a positive performance in the USA and generally across the Emerging Markets region.
From a country perspective, especially the USA and the UK contributed favourably to growth. Price cuts at distributor level in Greece due to the already mentioned pricing reform had a negative impact on sales growth.

Urology Care

Urology Care generated 10% organic sales growth in the 9M period, with reported revenue in DKK up by 5% to DKK 1,308m. Growth remained driven mainly by Titan® penile implants in the US market. Sales growth of disposable surgical products and, in particular, of endourological products, were driven by the French and Middle East markets.

From a country perspective, the US market continued to drive growth in Urology Care as a result of the sales and marketing investments made in the USA and with France and Saudi Arabia also contributing.

Organic growth for the Q3 period was 11%, and revenue in DKK grew by 6% to DKK 449m. Sales of Titan® penile implants in the US market were a main driver of the sales performance. From a country perspective, the US market drove growth in the Urology Care business.

Wound & Skin Care

Wound & Skin Care delivered 3% organic sales growth in the 9M period, with reported revenue in DKK down by 1% to DKK 1,558m.

The Wound Care business alone delivered 4% organic growth in the 9M period. At product level, the

Biatain® Silicone portfolio continued its satisfactory sales performance, driven by the Europe region. The new Biatain Silicone Sizes & Shapes portfolio drove a significant part of the sales increase in Biatain® Silicone products. The positive sales performance of the upgraded Comfeel® Plus portfolio continued, driven in particular by the French and Australian markets.

From a country perspective, growth in sales of wound care products in China and France and of skin care products in the USA contributed favourably to the Wound & Skin Care business. Reduced prices and inventory reductions in the distribution channel in Greece resulting from the pricing reform implemented in October 2017 detracted from the 9M sales growth in the Wound & Skin Care business.

Timing differences in Compeed contract manufacturing due to Johnson & Johnson's sale of the Compeed trademark to HRA Pharma had a negative impact on Wound & Skin Care sales in the 9M period, but part of the timing effects were eliminated in the third quarter.

Q3 organic growth rates were 11% for Wound & Skin Care with the Wound Care business alone accounting for 12%. Growth in Wound Care sales was driven by sales of Biatain® Silicone. From a country perspective, the Wound & Skin Care business saw good momentum across Europe and in China. At the same time, a downturn in sales of skin care products in the US market detracted from sales growth. Lower prices in Greece resulting from the above-mentioned pricing reform implemented in October 2017 continued to impact the sales performance in the third quarter, but Greece was still a positive contributor to sales growth in the third quarter due to inventory reductions in the distribution channel in Q3 2016/17 resulting from a pricing reform implemented in 2016.

Compeed contract manufacturing added to the Q3 sales performance, as part of the above-mentioned timing differences from the first half-year were eliminated in the third quarter.

Gross profit

Gross profit was up by 4% to DKK 8,171m from DKK 7,854m last year. The gross margin was 67%, against 68% in the 9M 2016/17 period. When adjusted for the DKK 90m one-off revenue adjustment relating to Veterans Affairs in 2016/17, the gross margin at constant exchange rates was 67% for the 9M period, compared with 68% last year.

The ongoing efficiency enhancements, including the relocation of Biatain® Silicone and SenSura® Mio production to Hungary, had a positive effect on the gross margin. At the same time, the gross margin was negatively impacted by the product mix, restructuring costs and currency developments due to especially the USD and dollar-related currencies depreciating against DKK.

Restructuring costs for the reporting period amounted to DKK 29m compared with DKK 16m last year, the higher costs being partially due to the final implementation of the plans to reduce the number of production staff in Denmark from 700 to 400 by the end of the 2017/18 financial year. The closure of the factory at Thisted, Denmark, has been accelerated, adding restructuring costs of about DKK 10m in the third quarter.

The Q3 gross profit was up by 6% to DKK 2,810m from DKK 2,652m in the Q3 2016/17 period. The Q3 gross margin was 67%, against 68% in Q3 2016/17. When adjusted for the DKK 90m one-off revenue adjustment relating to Veterans Affairs in the Q3 2016/17 period, the Q3 gross margin at constant exchange rates was 67%, compared with 68% last year. Q3 restructuring costs amounted to DKK 21m, against DKK 3m last year.

Costs

Distribution costs amounted to DKK 3,559m, a DKK 299m increase from DKK 3,260m last year. The 9M distribution costs amounted to 29% of revenue, compared with 28% in the same period of last year. The higher distribution costs reflect an increase in investments in sales and marketing activities across a number of markets in Chronic Care, Wound Care and Urology Care. The Q3 distribution costs amounted to DKK 1,205m, equal to 29% of revenue, which was in line with last year. The costs are stated inclusive of the increase in investment initiatives.

Administrative expenses amounted to DKK 490m, against DKK 468m in 9M 2016/17. Administrative expenses accounted for 4% of revenue, which was in line with last year. The Q3 administrative expenses amounted to DKK 182m against DKK 167m in the year-before period. The Q3 administrative expenses amounted to 4% of revenue, which was in line with the third quarter of last year.

The 9M R&D costs were DKK 481m, a DKK 45m (10%) increase over the 9M 2016/17 period that was due to a general increase in business activity. R&D costs amounted to 4% of revenue, which was consistent with last year's percentage. The Q3 R&D costs amounted to DKK 160m, which was DKK 14m higher than the Q3 2016/17 figure. As a result, the Q3 2017/18 R&D costs amounted to 4% of revenue, equal to the level of the year-before period.

Other operating income and other operating expenses amounted to net income of DKK 35m in 9M 2017/18, against DKK 15m in 9M 2016/17. The increase was mainly due to non-recurring income from a settlement in a matter regarding the use of Urology Care patent rights. Other operating income and other operating expenses amounted to net income of DKK 6m in the third quarter, against net income of DKK 10m in Q3 2016/17.

Operating profit (EBIT)

EBIT amounted to DKK 3,676m, a DKK 29m decline from DKK 3,705m last year. When adjusted for the DKK 90m one-off revenue adjustment relating to Veterans Affairs, EBIT was down by DKK 119m (3%), bringing the EBIT margin to 30%, against 33% last year. However, at constant exchange rates and adjusted for the one-off revenue adjustment relating to Veterans Affairs, EBIT was up by 3%, equal to an EBIT margin of 31% against 32% last year.

The Q3 EBIT was DKK 1,269m, for an EBIT margin of 30%, against last year's Q3 EBIT of DKK 1,233m (EBIT margin of 32%). When adjusted for the DKK 90m one-off revenue adjustment relating to Veterans Affairs, the Q3 EBIT margin at constant exchange rates was 31%, compared with 33% last year.

Financial items and tax

Financial items were a net expense of DKK 31m, compared with a net expense of DKK 85m in the year-before period. The change was due to foreign exchange adjustments, which amounted to a net expense of DKK 7m against a DKK 64m net expense last year. The DKK 7m net expense represents foreign exchange losses on balance sheet items denominated in ARS and BRL that were partly offset by gains on currency hedges, especially of USD against DKK. The Q3 financial items were a net expense of DKK 36m, compared with a net expense of DKK 50m in the year-earlier period.

The tax rate was 23%, which was in line with last year. The tax expense amounted to DKK 839m against DKK 833m last year.

Net profit

Net profit for the 9M period was DKK 2,806m, a DKK 19m (1%) increase from DKK 2,787m last year. Diluted earnings per share (EPS) improved by 1% to DKK 13.21, but the net profit was down DKK 50m (2%) when adjusted for last year's DKK 90m one-off revenue adjustment relating to Veterans Affairs.

The Q3 net profit was DKK 948m compared with DKK 910m last year. Earnings per share (EPS), diluted, was up by 4% to DKK 4.47 in the third quarter, but net profit was DKK 31m (3%) lower when adjusted for last year's DKK 90m one-off revenue adjustment relating to Veterans Affairs.

Cash flows and investments

Cash flows from operating activities

Cash flows from operating activities amounted to DKK 2,787m, against DKK 1,668m last year. Most of the increase was due to lower payments relative to the 9M 2016/17 period in connection with settlements in lawsuits in the USA alleging injury resulting from the use of transvaginal surgical mesh products. Payments made in respect of the above-mentioned lawsuits in the USA amounted to DKK 0.4bn in the nine-month period, bringing total payments to date to DKK 4.6bn.

Investments

Coloplast made net investments of DKK 521m in the 9M period, compared with DKK 423m in 9M 2016/17. As a result, CAPEX accounted for 4% of revenue. The increase was due to the factory expansion at Nyírbátor, Hungary, and the acquisition of a plot in Costa Rica in the third quarter for the purpose of establishing new production facilities.

Total cash flows from investing activities amounted to DKK 799m, against DKK 1,346m in 9M 2016/17. The change was mainly due to the DKK 1,144m acquisition of Comfort Medical in December 2016, which was only partly offset by acquisitions for DKK 293m made in Q2 2017/18 and the above-mentioned CAPEX timing differences.

Free cash flow

As a result, the free cash flow was an inflow of DKK 1,988m against DKK 322m in the same period of last year. Most of the increase was due to a reduction in cash flows for acquisitions and lower payments relative to the 9M 2016/17 period in connection with settlements in lawsuits in the USA alleging injury resulting from the use of transvaginal surgical mesh products. Adjusted for payments made in connection with the above-mentioned lawsuits and the acquisition of enterprises, the free cash flow was an inflow of DKK 2,604m against DKK 2,527m in 9M 2016/17, equal to a 3% increase.

Capital resources
At 30 June 2018, Coloplast had net interest-bearing debt, including securities, of DKK 2,311m, against DKK 1,920m at 30 September 2017. The net interest-bearing debt was raised for the purpose of payments made in connection with settlements in lawsuits in the United States alleging injury resulting from the use of transvaginal surgical mesh products and for the acquisition of the distribution companies Comfort Medical, Lilial and IncoCare.

Statement of financial position and equity

Balance sheet
At DKK 12,667m, total assets were DKK 617m higher than at 30 September 2017.
Intangible assets amounted to DKK 2,533m, which was DKK 238m more than at 30 September 2017. The increase was mainly attributable to enterprises acquired in Q2 2017/18.
Property, plant and equipment increased by DKK 79m relative to 30 September 2017 to stand at DKK 3,151m.
Other non-current assets amounted to DKK 489m, which was in line with the figure at 30 September 2017.
As a result, non-current assets increased by a total of DKK 317m to DKK 6,173m.

Working capital was 24% of revenue, against 25% at 30 September 2017. Inventories were down by DKK 13m to DKK 1,679m, while trade receivables increased by DKK 80m to DKK 2,970m and trade payables were down by DKK 16m relative to 30 September 2017 to DKK 659m.

Amounts held in escrow in connection with the lawsuits in the United States alleging injury resulting from the use of transvaginal surgical mesh products were DKK 694m, a DKK 163m net increase relative to 30 September 2017. Management estimates that more than 95% of the known lawsuits in the USA have now been settled.

Security holdings amounted to DKK 311m, DKK 4m less than at the beginning of the financial year, while cash and cash equivalents were up by DKK 136m to stand at DKK 450m. Current assets rose by DKK 300m relative to 30 September 2017 to stand at DKK 6,494m.

Equity
Equity fell by DKK 750m relative to 30 September 2017 to DKK 5,202m. Payment of dividends in the total amount of DKK 3,288m and the net effect of treasury shares bought and sold of DKK 187m were only partially offset by the comprehensive income for the reporting period of DKK 2,699m and share-based remuneration of DKK 26m.

Dividends and share buy-backs
Coloplast paid interim dividends totalling DKK 1,059m in the third quarter, equal to DKK 5.00 per share.

Coloplast has launched a DKK 1bn share buy-back programme in the current financial year that will run until the end of 2018/19. The first part of the share buy-back programme of DKK 500m was completed in May 2018.

Treasury shares
At 30 June 2018, Coloplast's holding of treasury shares consisted of 3,950,787 B shares, which was 140,521 more than at 30 September 2017. The increase was due to a total of 939,304 shares bought back, which was partly offset by options exercised for 798,783 shares.

Financial guidance for 2017/18

- We now expect organic revenue growth of ~8%, up from previously 7-8%, at constant exchange rates. The change is mainly due to expectations of a moderate effect from the patent expiry of SpeediCath® standard catheters rather than a negative effect of DKK 50m as previously estimated. The guidance also continues to include the effects of a comprehensive healthcare reform in Greece of up to DKK 100m, which is expected to impact all business areas. Reported growth in DKK is forecast unchanged at ~6%.
- The EBIT margin guidance remains at 31-32% at constant exchange rates and at ~31% in DKK.
- Capital expenditure is still expected to be around DKK 700m.
- We continue to expect an effective tax rate of about 23%.

The financial guidance takes account of reforms with known effects. Our expectations for long-term price pressures, of about 1% in annual price pressure, are unchanged.

Also, the financial guidance assumes sustained and stable sales growth in Coloplast's core markets and a continuation of the successful roll-out of new products.

The EBIT margin guidance assumes that Coloplast, in addition to achieving its growth target, will continue to deliver scale economy and efficiency improvements.

The capital investments will boost the production capacity for new and existing products and will provide for the completion of a new factory facility during the 2017/18 financial year.

Other matters

Global Operations Plan IV (GOP4)

The closure of the factory at Thisted, Denmark, has been accelerated. As a result of this decision, the GOP4 restructuring costs of about DKK 50m will be distributed over the 2017/18 and 2018/19 financial years instead of as previously 2018/19 and 2019/20. The plan remains for GOP4 to deliver EBIT margin improvements of about 150bp and to take full effect from the start of the 2020/21 financial year. An EBIT margin improvement of 100bp is expected already from the end of the 2019/20 financial year.

Launch of SpeediCath® Bacteria Barrier Technology (BBT) postponed

Coloplast has decided to postpone the launch of SpeediCath® BBT due to limited production capacity resulting from the strong sales momentum seen for SpeediCath® Standard, which is partly due to the fact that the negative effect expected from the patent expiry in September 2017 has failed to materialise.

Organisational changes in the region Emerging Markets

Andrew Robinson has been appointed Senior Vice President Emerging Markets effective 1 October 2018. Andrew Robinson joins Coloplast from Alcon, a Novartis company where he has been leading more than 1,000 cross-functional employees in their Asia-Pacific region.

Per Magid to resign from the Coloplast Board of Directors

After having served on the Coloplast Board of Directors for the last 33 years, Per Magid has is consultation with the Chairmanship arranged to resign from the Board of Directors on 8 August 2018. His resignation will coincide with the upcoming election of employee representatives, ensuring a balanced board membership consisting of six shareholder-elected and three employee-elected members. In the period until the board meeting scheduled for 5 December 2018, Mr Magid will serve as an adviser to the Chairmanship and will attend board meetings in that capacity.

Factory expansion in Hungary

The 26,000 sq.m. expansion of the existing factory at Nyírbátor, Hungary became operational in the third quarter. The new facility represents an investment of about DKK 175m.

EU Medical Device Regulation (MDR)

Coloplast is investing in making preparations for the new Medical Device Regulation introduced by the EU last year, which will enter into force on 26 May 2020.

Capital Markets Day to be held at the Coloplast headquarter in Humlebæk, Denmark on 18 September 2018

Coloplast will host a capital markets day at the company's headquarter in Humlebæk, Denmark, on 18 September 2018. The event is intended to give institutional investors and equity analysts an opportunity to be updated on our business and learn about our main strategic themes.

Exchange rate exposure
Our financial guidance for the 2017/18 financial year has been prepared on the basis of the following assumptions for the company's principal currencies:

DKK	GBP	USD	HUF
Average exchange rate 9M 2016/17	862	688	2.40
Average exchange rate 9M 2017/18	844	622	2.38
Change in average exchange rates for 9M compared with the same period last year	*-2%*	*-10%*	*-1%*
Average exchange rate 2016/17[1)]	853	674	2.41
Spot rate, 2 August 2018	838	641	2.32
Estimated average exchange rate 2017/18[2)]	842	627	2.37
Change in estimated average exchange rates for the full year compared with last year	*-1%*	*-7%*	*-2%*

1) Average exchange rates for 2016/17 are from 1 October 2016 to 30 September 2017.
2) Estimated average exchange rates are calculated as the average exchange rates year to date combined with the spot rates at 2 August 2018.

Revenue is particularly exposed to developments in USD and GBP relative to DKK. Fluctuations in HUF against DKK have an effect on the operating profit, because a substantial part of our production, and thus of our costs, are in Hungary, whereas our sales there are moderate.

In DKK millions over 12 months on a 10% initial drop in exchange rates (Average exchange rates 2016/17)	Revenue	EBIT
USD	-330	-130
GBP	-240	-160
HUF	0	75

Forward-looking statements
The forward-looking statements in this announcement, including revenue and earnings guidance, do not constitute a guarantee of future results and are subject to risk, uncertainty and assumptions, the consequences of which are difficult to predict. The forward-looking statements are based on our current expectations, estimates and assumptions and are provided on the basis of information available to us at the present time. Major fluctuations in the exchange rates of key currencies, significant changes in the healthcare sector or major developments in the global economy may impact our ability to achieve the defined long-term targets and meet our guidance. This may impact our company's financial results.

Statement by the Board of Directors and the Executive Management

The Board of Directors and the Executive Management have today considered and approved the interim report of Coloplast A/S for the period 1 October 2017 – 30 June 2018. The interim report, which has neither been audited nor reviewed by the company's auditors, is presented in accordance with IAS 34 "Interim financial reporting" as adopted by the EU and additional requirements in the Danish Financial Statements Act (Årsregnskabsloven).

In our opinion, the interim report gives a true and fair view of the Group's assets, equity, liabilities and financial position at 30 June 2018 and of the results of the Group's operations and cash flows for the period 1 October 2017 – 30 June 2018.

Also, in our opinion, the management's report includes a fair account of the development and performance of the Group, the results for the period and of the financial position of the Group. Other than as set forth in the interim report, no changes have occurred to the significant risks and uncertainties compared with those disclosed in the annual report for 2016/17.

Humlebæk, 8 August 2018

Executive Management:

Lars Rasmussen President, CEO	Anders Lonning-Skovgaard Executive Vice President, CFO
Allan Rasmussen Executive Vice President, Global Operations	Kristian Villumsen Executive Vice President, Chronic Care

Board of Directors:

Michael Pram Rasmussen Chairman	Niels Peter Louis-Hansen Deputy Chairman	Carsten Hellmann
Per Magid	Birgitte Nielsen	Jette Nygaard-Andersen
Jørgen Tang-Jensen		
Thomas Barfod Elected by the employees	Martin Giørtz Müller Elected by the employees	Torben Rasmussen Elected by the employees

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Coloplast

Ostomy Care
Continence Care
Wound & Skin Care
Urology Care

Statement of comprehensive income

1 October - 30 June

(Unaudited)

Consolidated		DKK million			DKK million		
		2017/18	2016/17		2017/18	2016/17	
Note		9 mths	9 mths	Index	Q3	Q3	Index
	Income statement						
1	Revenue	12,215	11,548	106	4,225	3,912	108
	Production costs	-4,044	-3,694	109	-1,415	-1,260	112
	Gross profit	**8,171**	**7,854**	**104**	**2,810**	**2,652**	**106**
	Distribution costs	-3,559	-3,260	109	-1,205	-1,116	108
	Administrative expenses	-490	-468	105	-182	-167	109
	Research and development costs	-481	-436	110	-160	-146	110
	Other operating income	58	31	187	10	10	100
	Other operating expenses	-23	-16	144	-4	0	<-200
	Operating profit (EBIT)	**3,676**	**3,705**	**99**	**1,269**	**1,233**	**103**
2	Financial income	97	33	>200	19	3	>200
3	Financial expenses	-128	-118	108	-55	-53	104
	Profit before tax	**3,645**	**3,620**	**101**	**1,233**	**1,183**	**104**
	Tax on profit for the period	-839	-833	101	-285	-273	104
	Net profit for the period	**2,806**	**2,787**	**101**	**948**	**910**	**104**
	Other comprehensive income						
	Items that will not be reclassified to income statement:						
	Remeasurements of defined benefit plans	20	33		8	11	
	Tax on remeasurements of defined benefit plans	-3	-7		-1	-2	
		17	**26**		**7**	**9**	
	Items that may be reclassified to income statement:						
	Value adjustment of currency hedging	-25	46		-60	101	
	Of which transferred to financial items	-87	-20		-13	0	
	Tax effect of hedging	25	-6		16	-23	
	Currency adjustment of opening balances and other market value adjustments relating to subsidiaries	-37	-97		46	-148	
		-124	**-77**		**-11**	**-70**	
	Total other comprehensive income	**-107**	**-51**		**-4**	**-61**	
	Total comprehensive income	**2,699**	**2,736**		**944**	**849**	
	Earnings per Share (EPS)	13.22	13.16		4.47	4.30	
	Earnings per Share (EPS), diluted	13.21	13.13		4.47	4.29	

Coloplast

Balance sheet

At 30 June

(Unaudited)

Consolidated	DKK million		
Note	30.06.18	30.06.17	30.09.17
Non-current assets			
Intangible assets	2,533	2,284	2,295
Property, plant and equipment	3,151	2,937	3,072
Investment in associates	10	12	10
Deferred tax asset	458	481	464
Other receivables	21	15	15
Total non-current assets	6,173	5,729	**5,856**
Current assets			
Inventories	1,679	1,742	1,692
Trade receivables	2,970	2,845	2,890
Income tax	34	77	36
Other receivables	197	300	264
Prepayments	159	158	152
Amounts held in escrow	694	769	531
Marketable securities	311	313	315
Cash and cash equivalents	450	314	314
Total current assets	**6,494**	**6,518**	**6,194**
Total assets	**12,667**	**12,247**	**12,050**

Ostomy Care
Continence Care
Wound & Skin Care
Urology Care

Balance sheet

At 30 June

(Unaudited)

Consolidated		DKK million		
Note		30.06.18	30.06.17	30.09.17
	Equity			
	Share capital	216	216	216
	Currency translation reserve	-135	-68	-86
	Reserve for currency hedging	-32	61	55
	Proposed ordinary dividend for the year	0	0	2,228
	Retained earnings	5,153	4,749	3,539
	Total equity	5,202	4,958	5,952
	Liabilities			
	Non-current liabilities			
	Provisions for pensions and similar liabilities	201	209	213
	Provision for deferred tax	270	123	253
7	Other provisions	56	70	68
	Leasing debt	97	0	98
	Prepayments	41	51	41
	Total non-current liabilities	665	453	673
	Current liabilities			
	Provisions for pensions and similar liabilities	3	2	3
7	Other provisions	245	341	319
	Other credit institutions	2,975	2,547	1,358
	Trade payables	659	527	675
	Income tax	613	647	626
	Other payables	2,302	2,768	2,433
	Prepayments	3	4	11
	Total current liabilities	6,800	6,836	5,425
	Total liabilities	**7,465**	**7,289**	**6,098**
	Equity and liabilities	**12,667**	**12,247**	**12,050**

8 Contingent liabilities
9 Acquisition of operations

Coloplast

Ostomy Care
Continence Care
Wound & Skin Care
Urology Care

Statement of changes in equity

(Unaudited)

Consolidated DKK million	Share capital A shares	 B shares	Currency translation reserve	Reserve for currency hedging	Proposed dividend	Retained earnings	Total equity
2017/18							
Balance at 1.10.	18	198	-86	55	2,228	3,539	5,952
Comprehensive income:							
Net profit for the year					1,060	1,746	2,806
Other comprehensive income that will not be reclassified to income statement:							
Remeasurements of defined benefit plans						20	20
Tax on remeasurements of defined benefit plans						-3	-3
Other comprehensive income that may be reclassified to income statement:							
Value adjustment of currency hedging				-25			-25
Of which transferred to financial items				-87			-87
Tax effect of hedging				25			25
Currency adjustment of opening balances and other market value adjustments relating to subsidiaries			-49			12	-37
Total other comprehensive income	0	0	-49	-87	0	29	-107
Total comprehensive income	0	0	-49	-87	1,060	1,775	2,699
Transactions with shareholders:							
Acquisition of treasury shares						-500	-500
Sale of treasury shares						313	313
Share-based payment						26	26
Interim dividend paid out in respect of 2017/18					-1,059		-1,059
Dividend paid out in respect of 2016/17					-2,229		-2,229
Total transactions with shareholders	0	0	0	0	-3,288	-161	-3,449
Balance at 30.06.	**18**	**198**	**-135**	**-32**	**0**	**5,153**	**5,202**

Statement of changes in equity

(Unaudited)

Consolidated DKK million	Share capital A shares	 B shares	Currency translation reserve	Reserve for currency hedging	Proposed dividend	Retained earnings	Total equity
2016/17							
Balance at 1.10.	18	198	-78	41	1,905	2,984	5,068
Comprehensive income:							
Net profit for the year					955	1,832	2,787
Other comprehensive income that will not be reclassified to income statement:							
Remeasurements on defined benefit plans						33	33
Tax on remeasurements on defined benefit plans						-7	-7
Other comprehensive income that may be reclassified to profit or loss:							
Value adjustment of currency hedging				46			46
Of which transferred to financial items				-20			-20
Tax effect of hedging				-6			-6
Currency adjustment of opening balances and market value adjustments relating to subsidiaries			10			-107	-97
Total other comprehensive income	0	0	10	20	0	-81	-51
Total comprehensive income	0	0	10	20	955	1,751	2,736
Transactions with shareholders:							
Transfers					4	-4	0
Acquisition of treasury shares						-374	-374
Sale of treasury shares						367	367
Share-based payment						25	25
Interim dividend paid out in respect of 2016/17					-955		-955
Dividend paid out in respect of 2015/16					-1,909		-1,909
Total transactions with shareholders	0	0	0	0	-2,860	14	-2,846
Balance at 30.06.	**18**	**198**	**-68**	**61**	**0**	**4,749**	**4,958**

Ostomy Care
Continence Care
Wound & Skin Care
Urology Care

Cash flow statement

1 October - 30 June

(Unaudited)

Consolidated		DKK million	
		2017/18	2016/17
Note		9 mths	9 mths
	Operating profit	3,676	3,705
	Depreciation and amortisation	469	451
4	Adjustment for other non-cash operating items	-61	-642
5	Changes in working capital	-495	-1,537
	Ingoing interest payments, etc.	97	26
	Outgoing interest payments, etc.	-64	-9
	Income tax paid	-835	-326
	Cash flows from operating activities	**2,787**	**1,668**
	Investments in intangible assets	-30	-21
	Investments in land and buildings	-86	-12
	Investments in plant and machinery	-46	-43
	Investments in property, plant and equipment under construction	-359	-347
	Property, plant and equipment sold	11	45
9	Acquisition of operations	-293	-1,144
	Net sales/purchase of marketable securities	4	176
	Cash flow from investing activities	**-799**	**-1,346**
	Free cash flow	**1,988**	**322**
	Dividend to shareholders	-3,288	-2,864
	Acquisitions of treasury shares	-500	-374
	Sale of treasury shares	313	367
	Financing from shareholders	-3,475	-2,871
	Drawdown on credit facilities	1,234	2,148
	Cash flows from financing activities	-2,241	-723
	Net cash flows	**-253**	**-401**
	Cash, cash equivalents and short-term debt with credit institutions at 1.10.	83	323
	Cash and cash equivalents, acquisition of operations	14	0
	Value adjustment of cash and bank balances	-7	-7
	Net cash flows	-253	-401
6	**Cash, cash equivalents and short-term debt with credit institutions at 30.06.**	**-163**	**-85**

The cash flow statement cannot be derived using only the published financial data.

Notes

(Unaudited)

Consolidated

1. Segment information

Operating segments

The operating segments are defined on the basis of the monthly reporting to the Executive Management, which is considered the Senior Operational Management, and the management structure. Reporting to Management is based on three operating segments: Chronic Care, Urology Care and Wound & Skin Care.

The operating segment Chronic Care covers the sale of ostomy care products and continence care products.
The operating segment Urology Care covers the sale of urological products, including disposable products.
The operating segment Wound & Skin Care covers the sale of wound and skin care products.

Revenues within the operating segment Chronic Care for 2016/17 to date include a one-off payment to the U.S. Department of Veterans Affairs which impacts the reported revenue of Continence Care products negatively by DKK 90m.

The reporting segments are also Chronic Care, Urology Care and Wound & Skin Care. The segmentation reflects the structure of reporting to the Executive Management.

Shared/non-allocated comprises support functions (Production units, R&D and Staff) and eliminations, as these functions do not generate revenue. Financial items and income tax are not allocated to the operating segments.

Management reviews each operating segment separately, applying their market contributions to earnings and allocating resources on that basis. The market contribution is defined as external revenue less the sum of direct production costs as well as distribution and marketing costs and administrative expenses. Costs are allocated directly to segments. Certain immaterial indirect costs are allocated systematically to the Shared/Non-allocated segment and the reporting segments.

Management does not receive reporting on asset and liabilities by the reporting segments. Accordingly, the reporting segments are not measured in this respect, nor do we allocate resource on this background. No single customer accounts for more than 10% of revenue.

Operating segments

	Chronic Care		Urology Care		Wound & Skin Care		Total	
DKK million	**2017/18**	2016/17	**2017/18**	2016/17	**2017/18**	2016/17	**2017/18**	2016/17
Segment revenue								
Ostomy Care	4,943	4,694	0	0	0	0	4,943	4,694
Continence Care	4,406	4,029	0	0	0	0	4,406	4,029
Urology Care	0	0	1,308	1,251	0	0	1,308	1,251
Wound & Skin Care	0	0	0	0	1,558	1,574	1,558	1,574
Group external revenue as per the Statement of comprehensive income	**9,349**	**8,723**	**1,308**	**1,251**	**1,558**	**1,574**	**12,215**	**11,548**
Segment operating profit/loss	5,445	5,198	489	486	547	567	6,481	6,251
Shared/Non-allocated							-2,805	-2,546
Costs not included in segment operating profit/loss							0	0
Operating profit before tax (EBIT) as per the Statement of comprehensive income							**3,676**	**3,705**
Net financials							-31	-85
Tax of profit/loss for the year							-839	-833
Profit/loss for the year as per the Statement of comprehensive income							**2,806**	**2,787**

Notes

(Unaudited)

Consolidated	DKK million 2017/18	2016/17
2. Financial income		
Interest income	10	13
Fair value adjustments of forward contracts transferred from Other comprehensive income	87	20
Total	**97**	**33**
3. Financial expenses		
Interest expense	9	9
Net exchange adjustments	94	84
Other financial expenses and fees	25	25
Total	**128**	**118**
4. Adjustment for other non-cash operating items		
Net gain/loss on divestment of non-current assets	1	0
Change in other provisions	-88	-667
Other non-cash operating items	26	25
Total	**-61**	**-642**
5. Changes in working capital		
Inventories	-13	-227
Trade receivables	-94	-169
Other receivables, including amounts held in escrow	-127	-340
Trade and other payables etc.	-261	-801
Total	**-495**	**-1,537**
6. Cash, cash equivalents and current debt with credit institutions		
Cash	1	1
Short-term bank balances	449	313
Cash and bank balances	**450**	**314**
Short-term debt	-2,975	-2,547
Of which credit facilities	-2,362	-2,148
Total	**-163**	**-85**

Notes

(Unaudited)

Consolidated

7. Other provisions

Product liability case regarding transvaginal surgical mesh products

The amounts are gross amounts relating to certain legal claims.

Since 2011, Coloplast, along with a number of other major manufacturers, has been named as a defendant in individual lawsuits in various federal and state courts around the United States alleging injury resulting from use of transvaginal surgical mesh products designed to treat pelvic organ prolapse and stress urinary incontinence. A multidistrict litigation (MDL) was formed in 2012 in Southern District of West Virginia to consolidate federal court cases in which Coloplast is the first named defendant.

Since the first lawsuits were filed, Coloplast has been intent on disputing the current and any future litigation, and has continually considered which strategy and other steps may serve the company's best interests.

Against this background, Coloplast has from the start reached settlements with groups of law firms. In June 2017, Judge Joseph Goodwin issued a court order stating that plaintiffs may no longer direct claims against Coloplast in the ongoing MDL. The court order is a further step towards closure and full resolution of the MDL.

The total amount recognised since the 2013/14 financial year for expected costs of litigation in the USA amounts to DKK 5.25bn including legal costs (before insurance cover of DKK 0.5bn).

The total expense is based on a number of estimates and assumptions and is therefore subject to uncertainty.

The remaining provision made for legal claims at 30 June 2018 amounted to DKK 0.3bn (30 September 2017: DKK 0.4bn) plus DKK 1.0bn recognised under other debt (30 September 2017: DKK 1.2bn). Liabilities are classified as other debt when agreements are reached with the plaintiffs' legal counsel and amounts and timing become known.

With reference to the prejudicial exemption in IAS 37, Coloplast will not disclose any further information about the assumptions for the provision, including any details about current and the expected number of lawsuits and settled claims.

The disclosure of such information is believed to be detrimental to Coloplast in connection with the ongoing confidential negotiations and could inflict financial losses on Coloplast and its shareholders.

8. Contingent liabilities

Other than as set out in Note 7 Other provisions, the Coloplast Group is a party to a few minor legal proceedings, which are not expected to influence the Group's future earnings.

Notes

(Unaudited)

Group

9. Acquisitions

Coloplast has, during the year, made a number of aquisitions. The following table shows the fair value of acquired net assets at the date of acquisition.

	Fair value at date of acquisition		
DKK million	Lilial	Other	Total
Intangible assets	58	7	65
Property, plant and equipment	6	0	6
Inventories	16	0	16
Receivables	17	9	26
Deferred tax	-15	-2	-17
Trade payables	-31	-3	-34
Other payables	-14	-2	-16
Net assets acquired	**37**	**9**	**46**
Goodwill	218	29	247
Consideration, cash and debt-free	**255**	**38**	**293**
Acquired cash and current debt to credit institutions	10	4	14
Other interest-bearing debt	-5	-1	-6
Cash consideration	**260**	**41**	**301**
The cash consideration consists of:			
Cash payment at the date of the acquisition	260	33	293
Fair value of contingent considerations	0	8	8
Cash consideration	**260**	**41**	**301**

Acquisition of Lilial

On 10 January 2018, Coloplast completed the acquisition of all shares and voting rights of Lilial. Lilial is a French-based direct-to-consumer home delivery company with nationwide distribution of catheter and ostomy supplies for the French market. The transaction strengthens Coloplast's position and its product and service offering in France and will open for additional access to payers. Coloplast expects to continue to work with healthcare professionals and channel partners through the various consumer programmes with the intent of improving overall end user outcomes.

Lilial is recognised in the consolidated income statement at a revenue of DKK 86m for the reporting period. The pro forma effect on consolidated revenue for the reporting period, as if the company had been acquired on 1 October 2017, amounted to approximately DKK 135m.

Intangible assets consist of customer lists (DKK 42m) and trademarks (DKK 16m). Customer lists consist of access to Lilial's existing customer base (users) and physicians lists. Trademarks consist of the Lilial trademark and name, which are both associated with sales of catheter and ostomy supplies. Trade receivables represent a gross amount of DKK 13m and have only been subject to insignificant writedowns.

Notes

(Unaudited)

Group

9. Acquisitions, continued

After recognition of identifiable assets and liabilities at fair value, goodwill related to the acquisition amounts to DKK 218m which is not deductible for tax purposes. Goodwill expresses expected future earnings and includes synergies expected to be achieved from Coloplast's strengthened position and stronger product and service offering in the French market.

Coloplast has in 2017/18 to date incurred transaction costs relating to the acquisition of approximately DKK 3m which has been recognised under administrative expenses in the statement of comprehensive income.

The agreed cash consideration for the shares amounted to EUR 35.0m which fell due for payment on the date of acquisition. The agreed cash consideration for the shares corresponds to a consideration of EUR 34.3m on a cash and debt-free basis, which is slightly below the estimated value indicated in company announcement no. 1/2018 (EUR 35,5m). The transaction was made on locked-box terms, pursuant to which a fixed cash consideration is agreed for the shares on conclusion of the agreement with no adjustment for debt and changes in working capital in the period until closing. As a result, the final consideration on a cash and debt-free basis may differ from the estimated value prior to closing. The difference is primarily attributable to a movement between net working capital and net cash.

Other acquisitions

Other acquisitions made in the reporting period are not considered to be material to the consolidated financial statements.

Coloplast

Ostomy Care
Continence Care
Wound & Skin Care
Urology Care

Income statement, quarterly

(Unaudited)

Consolidated

DKK million	2017/18 Q3	2017/18 Q2	2017/18 Q1	2016/17 Q4	2016/17 Q3	2016/17 Q2	2016/17 Q1
Revenue	4,225	4,035	3,955	3,980	3,912	3,881	3,755
Production costs	-1,415	-1,340	-1,289	-1,263	-1,260	-1,259	-1,175
Gross profit	**2,810**	**2,695**	**2,666**	**2,717**	**2,652**	**2,622**	**2,580**
Distribution costs	-1,205	-1,180	-1,174	-1,111	-1,116	-1,077	-1,067
Administrative expenses	-182	-157	-151	-155	-167	-153	-148
Research and development costs	-160	-163	-158	-138	-146	-152	-138
Other operating income	10	21	27	15	10	13	8
Other operating expenses	-4	-16	-3	-9	0	-7	-9
Operating profit (EBIT)	**1,269**	**1,200**	**1,207**	**1,319**	**1,233**	**1,246**	**1,226**
Profit/loss after tax on investment in associates	0	0	0	-2	0	0	0
Financial income	19	37	41	40	3	-7	37
Financial expenses	-55	-46	-27	-27	-53	-30	-35
Profit before tax	**1,233**	**1,191**	**1,221**	**1,330**	**1,183**	**1,209**	**1,228**
Tax on profit for the period	-285	-273	-281	-320	-273	-278	-282
Net profit for the period	**948**	**918**	**940**	**1,010**	**910**	**931**	**946**
Earnings per Share (EPS) before special items	4.47	4.32	4.43	4.76	4.29	4.39	4.47
Earnings per Share (EPS)	4.47	4.32	4.43	4.76	4.29	4.39	4.47
Earnings per Share (EPS) before special items, diluted	4.47	4.32	4.42	4.75	4.28	4.38	4.46
Earnings per Share (EPS), diluted	4.47	4.32	4.42	4.75	4.28	4.38	4.46

Coloplast

Ostomy Care
Continence Care
Wound & Skin Care
Urology Care

For more information, please contact:

Investors and analysts

Anders Lonning-Skovgaard
Executive Vice President, CFO
Tel. +45 4911 1111

Ellen Bjurgert
Vice President, Investor Relations
Tel. +45 4911 1800 / 4911 3376
E-mail dkebj@coloplast.com

Rasmus Sørensen
Senior Manager, Investor Relations
Tel. +45 4911 1800 / 4911 1786
E-mail dkraso@coloplast.com

Press and the media

Dennis Kaysen
Director, Corporate Communications
Tel. +45 4911 2608
E-mail dkdk@coloplast.com

Lina Danstrup
Senior Media Relations Manager, Corporate Communications
Tel. +45 4911 2607
E-mail dklina@coloplast.com

Website

www.coloplast.com

Address

Coloplast A/S
Holtedam 1
DK-3050 Humlebæk, Denmark
Denmark

Business reg. (CVR) no. 69749917

This announcement is available in a Danish and an English-language version. In the event of any discrepancies, the Danish version shall prevail.

Coloplast develops products and services that make life easier for people with very personal and private medical conditions. Working closely with the people who use our products, we create solutions that are sensitive to their special needs. We call this intimate healthcare.

Our business includes Ostomy Care, Urology Care, Continence Care and Wound and Skin Care. We operate globally and employ about 11,000 people.